

*Ch-Ch-Ch-Changes~ Statutes
and Regulations Governing
Mortgage Brokers*

S673

Regulations to be Drafted



S-673

Legislation Implementing the
Secure and Fair Enforcement of
Mortgage Licensing Act of 2008

Topics of Discussion

- Changes in Statute
- Loan Originator Licensing Requirements
- Transition to the Nationwide Mortgage Licensing System and Registry (NMLS&R)
- Certification for Pre-licensing Education
- Mortgage Broker Renewals



Changes in Statute

- 40-58-10 - Title of Chapter is now “Licensing of Mortgage Brokers”
- 40-58-20 Definitions – all have changed
- 40-58-30 Independent contractors must be separately licensed
- 40-58-40 Minimum bond amount increased to \$25,000 and based on dollar volume of mortgage loans originated



Changes in Statute (Cont.)

- 40-58-50 Changes Licensing Requirements
- 40-58-55 deleted and added to 40-58-80 Disciplinary actions.
- 40-58-60 must update all licensing records
- 40-58-65 added requirement to maintain a mortgage log
- 40-58-67 Continuing education 8 hours annually, must be NMLS&R approved, no carry-forward (hours must be taken in year required) and cannot take same course in successive years.


Changes in Statute (Cont.)

- 40-58-70 Prohibited practices
- 40-58-75 Mortgage Broker Fee Agreement added language previously in regulation
- 40-58-78 clarifying language concerning broker fee agreement
- 40-58-80 Revised to clarify disciplinary actions that can be taken.
- 40-58-90 Process for contested case (ALC)



Changes in Statute (Cont.)

- 40-58-100 Regulations
- 40-58-110 Renewal dates are being changed to comply with NMLS&R
- 40-58-120 Annual reports to comply with SAFE requirement for an annual call report. Bond may adjust based on this report.
- 40-58-130 Participate in the NMLS&R



Loan Originator Licensing Requirements

- 20 hours of pre-licensing education
- Testing – National and State Components
- Credit Report
- State and National fingerprint based criminal background records check
- 8 hours of continuing education annually
- Annual renewal of license.
- NMLS&R Resource Center website
<http://www.stateregulatoryregistry.org/NMLS/AM/Template.cfm?Section=Home3>



Transition to NMLS&R

- Transition cycle January 1, 2010 through April 30, 2010
- Loan originators will renew during transition
- All amendments and new applications will be submitted through NMLS&R
- Current licensees may obtain credit for pre-licensing education
- Go to the NMLS&R website to begin the transition
<http://www.stateregulatoryregistry.org/NMLS/AM/Template.cfm?Section=Home3>

Certification for Pre-licensing Education

- Available only for current licensees
- Must have at least 20 hours above the renewal requirements
- Must be completed by March 31, 2010
- Must be currently approved courses



Mortgage Broker Renewals

- Cycle began on August 1, 2009 and ends on September 30, 2009
- If there are no amendments to the licensee information file an MU1 page 4
- Your renewal license will expire on September 30, 2010
- Remember to increase your bond before January 1, 2010 to \$25,000.